

MARKET UPDATE

15/01/2025

Japanese yen rises.

The Japanese yen strengthened on Wednesday after the Bank of Japan (BOJ) Governor Kazuo Ueda indicated that the central bank may consider raising interest rates if economic and price conditions continue to improve.

Ueda stated that the timing of interest rate hikes will largely depend on the economic policies of the new U.S. administration and the progress of this year's wage negotiations in Japan.

The yen's USD/JPY pair fell 0.4% on Wednesday, meaning the yen strengthened 0.4% against the U.S. dollar.

A day earlier, BOJ Deputy Governor Ryozi Himino said the central bank might consider raising rates in the upcoming policy meeting, citing sustained wage growth.

Recent economic indicators show that Japan's economy is experiencing modest growth. In the third quarter, the economy expanded at an annualized rate of 1.2%, driven by increased consumer spending and a stable labor market.

In March last year, BOJ ended its negative interest rate policy, and by July, it had increased the short-term policy rate to 0.25%.

It is now considering further rate hikes as inflation has consistently stayed above the central bank's 2% target.

Gold prices steady with CPI data.

Gold prices moved little in Asian trade on Wednesday as traders kept to the sidelines ahead of key U.S. consumer inflation data, although mild declines in the dollar lent some strength to bullion.

Gold benefited from softer-than-expected producer inflation data in the prior session, which spurred some hopes that inflation will ease further in the coming months. This notion weighed on the dollar.

But bullion prices still remained largely rangebound as safe haven demand remained limited, while the prospect of slower interest rate cuts by the Federal Reserve also weighed on the outlook.

Spot gold rose 0.1% to \$2,6675.90 an ounce, while gold futures expiring in February rose 0.3% to \$2,690.91 an ounce by 23:59 ET (04:49 GMT).

Bitcoin price today extends gains to \$97k.

Bitcoin extended gains on Wednesday after a sharp rebound in the previous sessions amid a bullish outlook for the cryptocurrency, while investors shrugged off concerns surrounding the U.S. interest rates ahead of an inflation report.

Bitcoin rose 2.1% to \$97,003.4 by 01:50 ET (06:50 GMT).

The token had risen sharply on Tuesday, rising above the \$97,000 mark, but gave away some of the gains later in the day.

Bullish outlook, whale trades push Bitcoin higher

Several cryptocurrency analysts maintain a bullish outlook on Bitcoin's price trajectory, forecasting significant growth this year.

Analysts project Bitcoin's price could soar to between \$175,000 and \$461,000 by 2025.

Bitcoin advocate Tom Lee, head of research at Fundstrat, recently said that despite the short-term volatility, Bitcoin's outlook for 2025 remains positive with an end-of-year price target of \$200,000 to \$250,000.

Additionally, some analysts believe that favorable cryptocurrency policies anticipated from the incoming Donald Trump administration could propel Bitcoin's value to as high as \$400,000. The establishment of a strategic Bitcoin reserve and the potential for increased mainstream adoption are cited as key drivers for this optimistic forecast.

On-chain analytics firm Santiment said that Bitcoin whales holding between 10 and 10,000 BTC have added 2,997 BTC to their holdings since January 1, 2025, reflecting growing confidence in Bitcoin's long-term potential.

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